

# TRADE HUB HAPPENINGS



*A monthly update of upcoming activities and recent progress from the SA Trade Hub in Gaborone, Botswana  
December 2005 – January 2006*

## Hub Highlights

- On November 1 the Trade Hub hosted the Cattle Production and Marketing Policy Conference organized by the Botswana Cattle Producers' Association (BCPA) to inform and enrich the policy formation process around the restructuring of the Botswana cattle production sub-sector.
- Edith Houston, Regional Advisor/Regional Affairs Team Leader in the Office of Southern African Affairs at USAID in Washington, DC, and the Desk Officer for the Regional Center for Southern Africa (RCSA), visited the Trade Hub on November 7 for a briefing on Trade Hub activities in Botswana and throughout the region.
- Elizabeth Rasmussen, a fourth-year student at Nebraskan Wesleyan University in Lincoln, Nebraska, joined the Trade Competitiveness team as an intern for a period of five weeks. Ms. Rasmussen recently completed a semester at the University of Stellenbosch studying political science. She will be working closely with the African Growth and Opportunity Act (AGOA) Advisor to document activities being undertaken by the Trade Hub.

## December 2005 Trade Hub Events

- 2 The BCPA and the participants of the International Trade Center (ITC) and BEDIA Workshop developing a Beef Strategy for the sub-sector will meet at the Trade Hub to finalize the outputs from the workshop.
- 8-9 Bridget Chilala, Trade Capacity Building Director, will travel to Maputo, Mozambique, to present the Trade Hub's findings from its study of the constraints on seed movements in the Southern African region to representatives of Southern African Development Community (SADC) Ministries of Agriculture.
- 12-13 The Partnership for Food Industry Development-Michigan State University / Fruits & Vegetables (PFID-MSU [F&V]) will host a workshop facilitated by the University of Botswana on the feasibility of mandatory fortification of cereal products.
- 14 The Botswana National Food Fortification Task Force will hold its first meeting at the Trade Hub
- 16 Ranga Munyaradzi, Senior Customs Advisor, and Evans Marowa, Transport Advisor, will travel to Lusaka, Zambia, to facilitate the meeting of the Dar es Salaam Corridor Committee (DCC). The meeting will focus on reviewing the progress on implementation of the DCC work plan as well as measures for establishing a sustainable permanent corridor secretariat and corridor performance monitoring management system.

*NOTE: Most of the Trade Hub's Technical Staff will be on annual leave during the period between December 15 and January 6. The Trade Hub will not officially close during this period, but will be running with a skeleton staff. We wish you all the best for the festive season and look forward to sharing our work with you in the New Year. Happy Holidays!*

In June 2002, the US Agency for Development (USAID) established the Southern Africa Global Competitiveness Hub in Gaborone, Botswana to respond to President's Bush's new trade initiative for Africa. The Trade Hub helps Southern Africa take full advantage of the increased trading opportunities available through duty free access to the US economy under the African Growth and Opportunity Act (AGOA). The Trade Hub:

- brings together American and African businesses;
- enhances the competitiveness of African products and services;
- expands the role that trade can play in African poverty reduction strategies;
- improves the delivery of public services supporting trade;
- builds African capacity for trade policy formulation and implementation; and
- strengthens the enabling environment for African businesses.

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## AGOA



Trade Hub staff traveled to Ethiopia to attend the East African Hub's regional AGOA Sectoral Workshop

- In January 2006, the Trade Hub will select candidates to attend the Fancy Food Show in Chicago in May 2006.
- Also in January, the Trade Hub team will begin to prepare for the Southern Africa Regional AGOA Workshop, which is expected to focus on business environment issues to support increased exports in targeted sub-sectors. This workshop is planned for April 2006.
- From January 3 to 6 AGOA Advisor Amanda Hilligas will hold meetings with U.S. Government and other stakeholders in Washington, DC, to discuss programs at the Trade Hub and the progress on AGOA support. Lisa Yarmoshuk, Director, Trade Facilitation & Capacity Building, will join Ms. Hilligas for several of these meetings.

## Trade Competitiveness

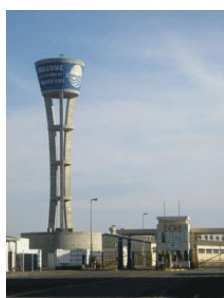


A worker stacks trays of melon seedlings to be transported to greenhouses for germination

### *Exportable Agricultural Products*

- In December and January, John Keyser, Director of Trade Competitiveness, will work with TechnoServe/Mozambique and other Emprenda Program implementing partners to plan for a fact-finding mission for private sector investors and government officials responsible for the promotion of commercial agriculture, to visit leading horticulture marketing companies in South Africa dealing in banana, citrus, litchi, mango, papaya, passion fruit, and other commodities with good potential for cross-border trade.
- Early in 2006, John Keyser and Ranga Munyaradzi plan to return to Mozambique to present the recommendations of an action plan for the removal of non-tariff barriers to agriculture exports. During the same mission, the team also plans to present a practical "how-to" exporter's manual with step-by-step guidelines on relevant procedures and requirements for accessing the South African market for fresh produce.

## Trade Facilitation and Capacity Building (TFCB)



The Port of Walvis Bay in Namibia – at the Western extreme of the Trans-Kalahari Corridor

### *Customs Modernization and Transport Facilitation*

- Ranga Munyaradzi and Simon Royals, Technical Officer at the World Customs Organization (WCO), will travel to Malawi to complete the final phase of the WCO Time Release Study (TRS). This will involve analysis of data collected by the TRS Working Group as well as the preparation and finalization of the Malawi TRS Report with findings, conclusions and recommendations as to the way forward.
- Mike Hathaway, Ranga Munyaradzi, Evans Marowa, and Bridget Chilala will complete the assessment of Zambia's trade facilitation needs based on their interview of thirty-eight trade and trade facilitation institutions during their trip to Zambia from November 16 to 25. The report will be used by Zambia in the forthcoming World Trade Organization (WTO) Negotiations on Trade Facilitation.
- In January of 2006 Ranga Munyaradzi and Bridget Chilala will follow up with Zambian Revenue Authority officials in Lusaka in order to schedule a presentation on the Trade Hub's technical report *Economic Impact of Implementing a Regional Customs Bond Guarantee Scheme on Zambian Businesses and the Economy*. The Zambian Government is currently in consultations to consider several alternative dates for the presentation and will confirm during the first quarter of 2006.

## Trade Facilitation and Capacity Building (TFCB), cont.



The Port of Walvis Bay in Namibia – at the Western extreme of the Trans-Kalahari Corridor

- Evans Marowa met with various stakeholders in Lusaka, Zambia, to assess factors leading to high air cargo rates in Zambia. Mr. Marowa will subsequently benchmark these costs against other regional air cargo rates in order to determine specific factors that require attention.
- During December 2005 and January 2006, Ranga Munyaradzi will continue to monitor the progress in implementing the Action Plan for the Trans-Kalahari Corridor (TKC) Pilot Common Customs Transit Bond Guarantee. The Action Plan assigned specific tasks to stakeholders from the TKC countries which are still pending completion.

### ***Outreach and Dialogue for Competitiveness***

- During the second week of December the Trade Hub will publish the third issue of its flagship newsletter, *Inside Southern African Trade* (INSAT). This special issue focuses on the WTO Hong Kong Ministerial Meeting, taking place December 13 to 18, and features interviews with prominent individuals representing negotiating interests in the region, the private sector, civil society, regional organizations, and the WTO itself.
- Also in December Ms. Van Schalkwyk, the Trade Hub's Information and Communications Coordinator, will continue to coordinate development of the fourth issue of INSAT which is due to be published in February 2006. This issue will focus on the business environment in the region and how it impacts trade.
- During December and January, Ms. van Schalkwyk will continue to update the Trade Hub's website with new information, reports and publications.
- As an educational tool to support TFCB's Dialogue for Competitiveness and Capacity Building Activities, the Trade Hub is currently developing a series of films on trade topics of the region. The first three films will focus on (1) the impact of trade preferences, with a particular focus on AGOA and the apparel industry in Southern Africa, (2) business environment challenges in the region and initiatives to address them to improve competitiveness, and (3) building an effective private sector voice for policy change using the Trade Hub's work with the Botswana Cattle Producers Association as a case study. Filming began the third week of November and will be completed during the first two weeks of December; it is taking place in Botswana, Lesotho and Swaziland. The first instructional films are expected to be ready for launching late in April 2006. A fourth film is in development. The project is being lead by Lisa Yarmoshuk.
- In response to a request from Botswana's Women in Business Association (WIBA), Martin Norman will explore the possibility of obtaining a regional specialist to assist the association with forming a microcredit scheme as a service for its members. During the first quarter of the year he will also be providing technical assistance to WIBA for a membership campaign.
- In response to a request for training from the Namibia Investment Promotion Agency (NIPA) and the National Investment Corporation (NIC), Martin Norman will coordinate with those organizations to determine the needs for training and institution building. A training schedule is expected to emerge from these talks for implementation during the first quarter of 2006.

### ***Capacity Building***

- Ted Lafarge, Business Development Specialist, was in Botswana from October 24 to November 13 working on a concept paper project note to advance the work of the Southern African Trade Hub in supporting a more competitive business environment.

## Trade Facilitation and Capacity Building (TFCB), cont.



The Port of Walvis Bay in Namibia – at the Western extreme of the Trans-Kalahari Corridor

- In coordination with the Namibia Tourism Board, the Trade Hub has finalized and agreed on a scope of work for the Tourism Investor Roadmap for Namibia. Starting in January 2006, Donaldo Hart, former team leader for the Namibia Investor Roadmap, will undertake the analysis for the tourism Investor Roadmap along with an additional consultant who is currently being recruited.
- Paulina Elago, Deputy Director of TFCB, is finalizing a note on the implication of existing bilateral trade agreements concluded between individual Southern African Customs Union (SACU) member states and third party countries. The analysis will include the degree to which such agreements are consistent with the provisions of the SACU Agreement. In that context she will travel to Pretoria for consultations with various departments of the South African Government including Trade, Agriculture and the South African Revenue Service (SARS).
- The Trade Hub continues to assist the Swaziland Investment Promotion Authority (SIPA) with the follow up and implementation of the Swaziland Investor Roadmap recommendations. The Trade Hub is currently discussing with SIPA plans to hold a process improvement workshop involving key agencies. The purpose of the workshop will be to design new procedures and coordination mechanisms related to issuing entry (work) permits, trading licenses, and health inspections. The workshop is programmed for late January or early February of 2006.
- At the request of the Ministry of Foreign Affairs and Trade in Swaziland, the Trade Hub will conduct a training course on trade data analysis. Discussions are currently underway on program and organizational matters related to the course. The Trade Hub will also conduct a workshop for the Ministry on second generation issues related to negotiation of trade agreements as part of its capacity building function.
- During the month of December and in early January the Trade Hub will run workshops for the BLNS (Botswana, Lesotho, Namibia, Swaziland) countries in support of trade capacity building activities pertaining to the SACU-US Free Trade Agreement (FTA) negotiations.
- On December 8 and 9 Bridget Chilala will travel to Maputo, Mozambique, to present the Trade Hub's findings on its study of the constraints on seed movements in the Southern African region from a private sector perspective. She will be presenting the findings to representatives of the SADC ministries of agriculture. A follow up meeting tentatively scheduled for early 2006 will include the trade officials who are currently preparing for the WTO Ministerial Meeting in Hong Kong to discuss, among other topics, measures to facilitate imports and exports of seeds in the region. Ms. Chilala will continue to monitor developments at the SADC Secretariat on regional seed policy harmonization.
- Ms. Bridget Chilala and Dr. Keith Jefferis, the Trade Hub's Economic Advisor, continue to work with short-term consultants and the Botswana Institute for Development Policy Analysis (BIDPA) to prepare a detailed quantitative analysis of the effects of the WTO Non-agricultural Market Access (NAMA) proposed tariff reduction formulae on economic outcomes for Botswana. A round table discussion will be held in early December to disseminate the information from the analysis.



## Partnership for Food Industry Development (PFID) / Fruits & Vegetables



The opening session of the Southern Africa Regional Workshop on High Value Horticultural Crops, Medicinal Plants and Essential Oils as Natural Plant Products

- On December 12 and 13, the Partnership for Food Industry Development-MSU / Fruits & Vegetables (PFID-MSU [F&V]) will host a workshop facilitated by the University of Botswana, which will involve discussions pertaining to the feasibility of mandatory fortification of cereal products. The focus of the discussions will be research evidence gathered through a study which entailed the feeding of a sample population from the Botswana Baylor Children's Clinical Center of Excellence. The workshop will address the progress and findings of this study to date and will result in the formation of a Botswana National Food Fortification Task Force. On December 14, this task force will have its first meeting which will also be hosted by the Trade Hub.

## Recent Highlights



The SA Trade Hub recently hosted the Cattle Production and Marketing Policy Conference organized by the Botswana Cattle Producers Association

### *Events and High-Level Visits*

- On October 27 and 28 Evans Marowa and Ranga Munyaradzi attended a workshop on the establishment of the North-South Corridor Management Institutional Framework in Johannesburg. The workshop was organized by the World Bank Sub-Sahara Africa Transport Policy Project (WB SSATP), COMESA (Common Market of Eastern and Southern Africa) and SADC. During the workshop participants agreed on an action plan for establishing a Corridor Management Committee. The Trade Hub will participate in interventions on the Botswana route of the Corridor by implementing a cross-border vehicle overload control initiative at Kazungula Ferry border post between Botswana and Zambia.
- During the month of November, the Trade Hub received several visitors for a briefing on the Trade Hub's activities and discussions on possible areas for future collaboration:
  - On November 2 the Trade Hub received a visit from Brooke Williams, the Economic and Political Officer of the U.S. Embassy in Maputo, Mozambique, who recently arrived at post.
  - Edith Houston, Regional Advisor/Regional Affairs Team Leader in the Office of Southern African Affairs at USAID in Washington, DC, visited the Trade Hub on November 7 for an update on Trade Hub activities.
  - Michael Glover, Deputy Special Representative, Commercial and Business Affairs at the U.S. Department of State, discussed the Trade Hub's private sector outreach activities with Trade Hub staff members on November 9.
  - On November 10, Michael Allen Lake, Deputy Director of the U.S.-South Africa Business Council in Washington, DC, met with Trade Hub technical staff to discuss private sector issues and the FTA negotiations between the US and SACU countries.
- On November 1 the Trade Hub hosted the Cattle Production and Marketing Policy Conference which was organized by the Botswana Cattle Producers Association (BCPA). The objective of the conference was to inform and enrich the policy formation process around the restructuring of the Botswana cattle production sub-sector. The BCPA invited senior policy makers to discuss optimal beef export markets in the short, medium and long term, an optimal restructuring strategy to make the sub-sector competitive in those target export markets, and conditions required to attract investment necessary to build sub-sector productive capacity. The meeting was attended by both public and private organizations including representatives from the Botswana Meat Commission (BMC) and the Ministry of Agriculture. U.S. Ambassador to Botswana, Katherine Canavan, delivered the keynote address.

## Recent Highlights, cont.



The SA Trade Hub recently hosted the Cattle Production and Marketing Policy Conference organized by the Botswana Cattle Producers Association

- On November 1 Evans Marowa attended a diagnostic workshop in Maseru, Lesotho, on the European Union (EU)-funded Maseru Container Terminal Dry Port development pre-feasibility study, a key action item in the Trade Hub-sponsored study on transportation logistics constraints in Lesotho. The workshop, which was organized by Scott Wilson Railways UK, the consultants who are conducting the EU-funded study on behalf of the Government of Lesotho, corroborated the findings of the Trade Hub study on transportation logistics for trade in Lesotho. The Government of Lesotho and the consultants were highly appreciative of the input from the Trade Hub report on Improving Transportation Logistics Constraints for Lesotho as well as for the input provided at the workshop. They look forward to further assistance from The Trade Hub in reviewing the proposals from the consultants and the Spoornet strategy for the Bloemfontein-Maseru railway line.
- Lisa Yarmoshuk, Director of TFCB, and Paulina Elago attended a South African Institute of International Affairs (SAIIA) conference on Regional Integration and Economic Partnership Agreements held on November 10 and 11 in South Africa. The conference brought together trade experts and policy makers from the region and elsewhere to discuss the implication of Economic Partnership Agreements (EPAs) for regional integration. Among the issues which were discussed at the conference were: (a) the review of the SA-EU Trade and Development Cooperation Agreement (TDCA) and the role of the BLNS in that process; (b) multiple membership in regional organizations; and (c) the implications of the BLNS negotiating an EPA under SADC while de facto they are party to the TDCA in terms of preferential market access to the EU.
- From November 15 to 17, RCSA Senior Advisor – Initiative to End Hunger, Jerry Brown, and Chibembe Nyalugwe, Chief of Party, Partnership for Food Industry Development-MSU / Fruits & Vegetables (PFID-MSU [F&V]), attended a workshop in Lusaka, Zambia, which focused on the high value of horticultural crops, medicinal plants and essential oils as natural plant products. The workshop—hosted by Agribusiness in Sustainable Natural African Plant Products (ASNAPP) and attended by more than 140 stakeholders—highlighted the potential for developing countries striving to achieve economic growth through trade arising from indigenous biodiversity in the global market. A parallel session on improving the paprika supply chain in Southern Africa brought together buyers, researchers, producers and marketers of paprika from South Africa, Malawi, Mozambique, and Zambia.
- From November 16 to 25 a team of Trade Hub staff consisting of Bridget Chilala, Ranga Munyaradzi, Evans Marowa and Mike Hathaway traveled to Zambia at the request of the Zambian Government to identify Zambia's trade facilitation needs and priorities. This assessment will be used in the context of the WTO's efforts to expedite the movement, release and clearance of goods under the "July Package" of July 2004. During the trip, the team interviewed thirty-eight institutions responsible for trade and trade facilitation. The information gathered on this trip will be used in the assessment report to be finalized in the coming months.
- On November 28, Martin Norman, newly appointed Dialogue for Competitiveness Director, gave a presentation on the Trade Hub and its services during the Capacity Building Seminar of the regional National Productivity Organizations (NPOs), which was organized by the Botswana National Productivity Centre (BNPC). Present at the event were more than sixty representatives of NPOs from ten countries including Uganda, Ghana Kenya, and many countries from the SADC region. Mr. Norman emphasized that the Trade Hub's programs are demand-driven and encouraged the NPOs to formulate specific requests for cooperative projects with the Trade Hub.

## Recent Highlights, cont.



The SA Trade Hub recently hosted the Cattle Production and Marketing Policy Conference organized by the Botswana Cattle Producers Association

- Paulina Elago attended a joint TRALAC and Faculty of Law / Stellenbosch University conference on the new SACU Agreement where she also made a presentation on the implications of EPAs with the EU on SACU. The conference was held in Stellenbosch on the November 28 and 29.
- The Trade Hub partnered with Africa Fast Track Trade to hold seminars on U.S. Food and Drug Administration (FDA) requirements for labeling in Johannesburg on November 29 and in Cape Town on December 1. Dr. Pat Wilson, an expert on labeling at the FDA, presented technical advice to participating firms. He highlighted relevant aspects of the U.S. regulatory system, including how various agencies regulate different sectors, and common mistakes exporters make when packaging for the US. Chris Crocker and Mick Dickinson, of the National Association for the Specialty Food Trade and the Fancy Food Show focused on marketing strategies. These seminars are part of a program to assist export-ready firms to prepare for the upcoming Fancy Foods Show in Chicago in May 2005.

### *Projects, Papers, Studies and Other Highlights*

- In order to provide continued support to the Namibia Investment Centre (NIC) for the Namibia Investor Roadmap, the Trade Hub prepared an implementation matrix in November designed to facilitate the coordination and implementation of the recommendations among and by the various Namibian ministries and agencies.
- Paulina Elago produced a policy brief documenting the problems with Value-added Tax (VAT) procedures applicable to Swaziland's exports transiting through South Africa. The brief should serve as a basis for discussion among the authorities to address this issue.
- In early November, Tshililo Ronald Ramabulana, Regional Market Advisor, completed the design of a training program for managers of the Matsafeni Trust in northeast South Africa. Matsafeni Trust received over 5,200ha of prime agriculture property which supplies a large quantity of horticulture produce for both the domestic and export markets as part of a Black Economic Empowerment (BEE) land settlement. The Trade Hub is preparing the program in response to a proposal by the USAID/South Africa Promoting Agribusiness Linkages (PAL) program.
- Evans Marowa met with the new Acting Director of Road Transport and Safety for Botswana to review progress with securing legal advice from the Attorney General of Botswana. This advice is needed for Botswana to be able to confirm measures to appoint the TKC Program Coordinator and secure contributions for funding the secretariat in the interim while measures for long term sustainability are being pursued. Subsequently, the Trade Hub will follow up the issue with the Botswana authorities.
- Amanda Hilligas, AGOA Advisor, and John Keyser, Director for Trade Competitiveness, traveled to Zambia the week of November 14 to engage in firm-level outreach as requested by the Zambian Trade Ministry and to assess AGOA diversification work.
- During a visit to Zambia, John Keyser and Amanda Hilligas met at USAID/Zambia with Scott Simons, Chief of Party of the Market Access Trade and Enabling Policies (MATEP) project, Dann Griffiths, Economic Growth Team Leader, and Jan Joost Nijhoff, Senior Agriculture and Trade Specialist, to coordinate future activities and review progress with various aspects of Trade Hub support to the Bilateral Program in export agriculture, tourism, and apparel.

## Recent Highlights, cont.



The SA Trade Hub recently hosted the Cattle Production and Marketing Policy Conference organized by the Botswana Cattle Producers Association

- In early November John Keyser, Amanda Hilligas, and Ranga Munyaradzi met with Bhekile Dlamini, CEO of the Swaziland Investment Promotion Authority (SIPA), and Shannon Dorsey, Economic and Commercial Officer at the U.S. Embassy in Mbabane. The group discussed progress toward an AGOA diversification strategy, trade competitiveness in agriculture, customs work, and business environment concerns.
- On November 21, John Keyser, Amanda Hilligas, and Lisa Yarmoshuk met with Leslie Johnston, Chief of Party of the new Swaziland Enterprise and Entrepreneurship Program (SWEPP), and Simon Winter, TechnoServe Regional Director for Southern Africa, to discuss Trade Hub support for and coordination with this new program.
- During a visit to Swaziland in early November, John Keyser met with the CEO of the Swaziland Water and Agriculture Development Enterprise (SWADE) and New Business Manager of Tibiyo Taka Ngwana (the Swazi National Trust) to discuss future collaboration on cross-border investments and value chain development.
- Building on the Trade Hub's analysis of floriculture growth potential in Zambia, John Keyser and Luke Mbewe, Chief Executive of the Zambia Export Growers Association (ZEGA), developed a training program for local banks to increase their understanding of opportunities for floriculture lending. The training will be carried out early next year through the Netherlands Ministry of Foreign Affairs PUM Dutch Senior Expert Program.
- As a result of Trade Hub introductions, discussions continued during November between a South African horticulture marketing company and commercial agriculture firm in Mozambique aimed at planting over 150ha of sub-tropical fruits early next year.
- Meetings were held with the MATEP project in Zambia to develop the terms of reference which will direct the participation of the Trade Hub in a set of meetings to be organized in early 2006. This activity represents an opportunity for the approach developed by the Trade Hub in the tourism sector to be field tested. This implementation also represents the culmination of planned activities planned by the Trade Hub in this sector.